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Agricultural Situation

Continued suspension of grain import duties until 30 June, 2009

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Report Highlights:

The suspension of grain import duties that was initially introduced to apply to imports carried out on the basis of import licenses from 4 January until 30 June 2008 will remain in force until 30 June 2009 unless market conditions were to make their reintroduction appropriate.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Brussels USEU [BE2]
[E4]

Continued suspension of grain import duties until 30 June, 2009

Mariann Fischer Boel, Commissioner for Agriculture and Rural Development, announced on 13 June that the suspension of grain import duties that was initially introduced to apply to imports carried out on the basis of import licenses from 4 January until 30 June 2008 will remain in force for the next marketing year which will end on 30 June 2009. The list of tariffs covered by the continued suspension is extended to include millet and buckwheat.

The Commission may reintroduce the duties before 30 June 2009 if market conditions were to make it appropriate to do so. The measure is a reaction to the continuing tight situation on the grains market and the resulting high price levels. At the same time, there are no export refunds on exports of grains.

The Cereals Management Committee of 12 June which backed the proposal to continue suspension also examined DG Agri crop forecasts suggesting an EU grain production of 295 million MT for MY 2008/09. This represents a 14.3 percent or 36.8 million MT increases over official date for MY 2007/08. With the derogation allowing food production on obligatory set-aside land, the data shows a 5.2 percent increase in grains area, notably for corn (plus 9.1 percent), durum wheat (plus 8.6 percent) and soft wheat (plus 5.7 percent). Yields are reported to have increased by 8.6 percent on average (from 4.5 MT/ha to 4.9 MT/ha), with Bulgaria, Hungary and Romania showing the most significant increase following the drought of MY 2007/08. Yield decreases were noted in Finland (minus 10.6 percent), Estonia (minus 22.7 percent), Latvia (minus 9.4 percent) and Lithuania (minus 5.8 percent).

The Committee also saw the sale onto the market of an additional 58,692 MT of Hungarian corn. The commission confirmed that the only remaining stocks are 100,023 MT of Hungarian corn, 38 MT of Hungarian wheat and 574 MT of Belgian wheat.

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E48050	EU 27 Grain and Feed Annual	05/01/2008
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